

**SOUTH MILFORD GRAIN COMPANY, INC.**

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229213

April 11, 2011

Honorable Dan Elliott  
Chairman  
Surface Transportation Board  
395 E Street, SW  
Suite 1220  
Washington, DC 20423-0001

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Dear Chairman Elliott:

The intent of this letter is to file comments in anticipation of the STB railroad competition hearing (Docket # EP 705) scheduled for June 22, 2011.

I am writing to express South Milford Grain Company's support for a continued strong freight rail network across the nation. Our company requires and receives timely, competitive rail service for movement of unit grain trains to our customers in the Southeast, therefore I think the wise old advise of "if it ain't broke, don't fix it" says it best and should certainly be considered before reregulating the rail industry.

North America's freight railroads plan to invest more than \$12 billion in 2011 to enhance and maintain their infrastructure. As you likely know, each \$1 billion spent on rail infrastructure supports about 20,000 jobs. Under the current regulatory environment, U.S. freight railroads are adding employees, upgrading their infrastructure and providing safe, dependable, fuel efficient freight transportation service at competitive rates to customer like us throughout the nation.

Freight rail is one of the most capital intensive industries in the nation, and it is imperative that continued reinvestment be encouraged to keep the system working smoothly. With railroads under pressure from rising costs and a still struggling economy, any action by the Surface Transportation Board to adopt policies that would discourage private investment in railroads would likely be injurious for them and ultimately hurt businesses like ours that heavily rely on rail service.

I appreciate your consideration of my concerns, and trust the Board will work to ensure and promote a long-term healthy freight rail network that continues to provide a true public benefit to our nation.

Sincerely,

Gale E. Shultz, President  
South Milford Grain Company